

**STATE OF MARYLAND
OFFICE OF PEOPLE'S COUNSEL**

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BILL NO.:	Senate Bill 691 Public Service Commission – CPCN – Renewable Source Generator Lead Line
COMMITTEE:	Finance
HEARING DATE:	March 8, 2011
SPONSOR:	Senator Middleton
POSITION:	Support

Senate Bill 691 amends the Public Utilities Article to authorize Public Service Commission approval of a certificate of public convenience and necessity (“CPCN”) for a “qualified generator lead line.” This line is defined as an overhead line “designed to carry a voltage in excess of 69,000 volts and would allow an out-of-state Tier 1 or Tier 2 renewable source to interconnect with the electric system in Maryland.” The amendment would address a gap in the existing law. The Office of People’s Counsel recommends a favorable report.

This bill would address a specific set of circumstances that recently came to light in a case before the Public Service Commission. A company, Big Savage, LLC, plans to build a 200 megawatt generating facility in Somerset County, Pennsylvania, and wanted to connect the facility to Allegheny Power’s transmission system in Frostburg, Maryland. Allegheny Power declined to

construct the interconnecting line, so Big Savage sought permission from the Commission to build the line itself.

What may seem a simple proposition is not so simple under current Maryland law. The Commission has determined, and OPC agreed, that current law is clear - only regulated "electric companies" are allowed to build overhead transmission lines in Maryland. Therefore a company such as Big Savage is not permitted to obtain from the Commission the CPCN necessary to construct a transmission line. The wind farm in Pennsylvania therefore cannot be connected directly to the grid within Maryland unless a Maryland electric company (in this case, Allegheny Power) agrees to build the transmission line. This bill is narrowly drawn, and would modify the current CPCN law to allow non-electric companies to apply for and, upon approval, build such an interconnection to connect an out-of-state *renewable* facility to the Maryland grid. While so limited, the bill is not a "Big Savage" only bill, in that other companies could seek a CPCN for similar renewable facilities.

OPC believes that the Bill's modification to the current CPCN law is reasonable. Existing law precludes the construction contemplated by a company such as Big Savage. The amendment eliminates this restriction. In doing so, it would support existing public policy initiatives regarding renewable energy, and provide for additional renewable energy resources for the State and Maryland ratepayers.

For these reasons, OPC URGES A FAVORABLE REPORT.